

Message Text

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21

ACTION ARA-10

INFO OCT-01 ISO-00 SP-02 AID-05 EB-03 NSC-07 RSC-01

CIEP-01 TRSE-00 SS-14 STR-01 OMB-01 CEA-01 TAR-01

CIAE-00 COME-00 FRB-01 INR-10 NSAE-00 XMB-01 OPIC-02

LAB-01 SIL-01 HEW-01 SCI-03 DODE-00 PM-03 H-01 L-02

PA-01 PRS-01 USIA-04 AGR-03 SWF-01 SR-02 ORM-01

OTPE-00 DOTE-00 FEA-01 HUD-01 FCC-01 DRC-01 /091 W
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E.O. 11652: N/A

TAGS: BEXP, HO

SUBJ: QUARTERLY REVIEW OF COUNTRY ACTION PROGRAM (CAP) FOR
HONDURAS

REF: A) TEGUCIGALPA A-70;

B) TEGUCIGALPA A-98;

C) STATE A-4304

1. BEGIN SUMMARY: BECAUSE OF THE EXTENSIVE ECONOMIC DAMAGE CAUSED BY HURRICANE FIFI, A SIGNIFICANT REVISION OF THE CAP FOR HONDURAS IS BEING MADE. THE MOST IMPORTANT CHANGES ARE BEING MADE IN CAMPAIGN 5 (BUILDING AND CONSTRUCTION SUPPLIES). THE POST PLANS TO USE THE PHRASE "REQUIRED URGENTLY FOR HONDURAN RECONSTRUCTION" WHEN NECESSARY IN HOPES OF SPEEDING RESPONSE TO REQUESTS FOR DISASTER-RELATED MATERIAL. POST WILL MONITOR GOH TARIFF RATES ON COMMERCIAL IMPORTS OF DISASTER-RELATED MATERIAL. END SUMMARY.

2. CAMPAIGN 1 - HOSPITAL CONSTRUCTION AND EQUIPMENT
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ACTION 1A: BY OCTOBER 11 FSO-6 MCNALLY AND FSL-10 ORTUNO

WILL CALL ON LIC. TOMAS CALIX MONCADA, DIRECTOR OF INSTITUTO HONDURENO DE SEGURIDAD SOCIAL, TO ASSESS EXTENT OF DAMAGE TO THAT INSTITUTION'S HOSPITAL FACILITIES IN SAN PEDRO SULA. THAT INFORMATION WILL BE USED TO DEVELOP APPROPRIATE TRADE LEADS.

ACTION 2A: BY OCTOBER 20, MCNALLY WILL CALL ON LIC. LORENZO CERVANTES, MANAGER OF UNIVERSITY HOSPITAL PROJECT, TO FIND OUT STATUS OF BIDS FOR EQUIPMENT FOR THE FACILITY.
ACTION 3A: BY NOVEMBER 15, MCNALLY WILL HOST REPRESENTATION FUNCTION OUTLINED IN ACTION 7, CAMPAIGN 1, IN REF. A)

3. CAMPAIGN 2 - COMMUNICATIONS EQUIPMENT

ACTION 1A: BY OCTOBER 11, MCNALLY AND ORTUNO WILL CALL ON COL. ENRIQUE WILDT, GOH DIRECTOR GENERAL OF TELECOMMUNICATIONS, AND HERMAN APARICIO, ACTING MINISTER OF PUBLIC WORKS, TRANSPORTATION AND COMMUNI-589, , TO LEARN MORE ABOUT DAMAGE TO HONDURAN TELECOMMUNICATIONS NETWORK AND GOH REPAIR PLANS. DURING THESE VISITS MCNALLY AND ORTUNO WILL ATTEMPT TO GATHER INFORMATION ON REPORTED HURRICANE-SPARKED DAMAND FOR AMATEUR RADIO EQUIPMENT AND OFFICIAL POLICY REGARDING OPERATION OF SUCH EQUIPMENT IN HONDURAS.

4. CAMPAIGN 3 - HIGHWAY CONSTRUCTION

ACTION 1A: DURING WEEK OF OCTOBER 18, MCNALLY AND ORTUNO WILL CALL ON HERMAN APARICIO (ALREADY MENTIONED IN ACTION 1A OF CAMPAIGN 2), RAMIRO ZUNIGA, DIRECTOR GENERAL OF PUBLIC ROADS, AND ING. CESAR ABADIE, HEAD OF CONSTRUCTION DEPARTMENT, TO GATHER NEW INFORMATION TO ADD TO PRELIMINARY LIST OF DAMAGES TO ROADS AND BRIDGES CAUSED BY HURRICANE AND GOH RECONSTRUCTION PLANS. DATA UNCOVERED IN THESE CONVERSATIONS WILL BE USED AS SUBSTANCE FOR APPROPRIATE "EARLY WARNING" MESSAGES TO U. S. BUSINESS.

5. CAMPAIGN 4 - ENERGY SYSTEMS

ACTION 1A: BY OCTOBER 10, MCNALLY AND ORTUNO WILL CALL ON ENEE MANAGER CABALLERO TO GATHER HIS ASSESSMENT OF DAMAGE TO HONDURAN ELECTRIC ENERGY GRID. FURTHER, CABALLERO WILL BE QUESTIONED ABOUT LATEST DEVELOPMENTS IN HYDRO-ELECTRIC DAM CONSTRUCTION PLANS.

ACTION PLANS.

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ACTION 2A: BY NOVEMBER 1, ORTUNO WILL ASCERTAIN CONTINUED STRENGTH OF PRESENT STRONG DAMAND FOR SMALL (1 TO 6 HP) EMERGENCY ELECTRIC GENERATORS. DEMAND IS STRONG NOW IN CATTI RAISING SECTIONS OF NORTHERN HONDURAS.

6. CAMPAIGN 5 - BUILDING AND CONSTRUCTION SUPPLIES

BUILDING AND CONSTRUCTION SUPPLIES HAS ALREADY BEEN IDENTIFIED AS FIRST IN LISTING OF PRODUCT CATEGORIES WHICH

POST BELIEVES TO HAVE BEST POTENTIAL FOR INCREMENTAL EXPORT SALES IN HONDURAS (SEE REF B). IT IS BELIEVED THAT DEMAND FOR THIS CATEGORY OF PRODUCTS IN HONDURAS WILL CLIMB TO AT LEAST \$150 MILLION IN 1975 - A VERY LARGE INCREASE OVER THE \$89 MILLION WHICH WAS ESTIMATED BEFORE HURRICANE FIFI STRUCK. IN ORDER TO OBTAIN A LARGER SHARE OF THIS MARKET FOR U. S. BUSINESS, FOLLOWING ACTIONS WILL BE UNDERTAKEN:

ACTION 1A: BY OCTOBER 11, MCNALLY AND ORTUNO WILL CALL ON ARQ. ARTURO SUAREZ, DIRECTOR OF NATIONAL HOUSING INSTITUTE, TO SEEK LATEST INFORMATION ON DAMAGE TO PUBLIC SECTOR HOUSING AND GOH PLANS FOR RECONSTRUCTION.

ACTION 2A: BY OCTOBER 18, MCNALLY AND ORTUNO WILL CALL ON DIRECTORS OF PRIVATE SECTOR HOUSING PROJECTS AS WELL AS ENGINEERING AND FINANCIAL CONCERNS DEALING IN HOUSING MATTERS.

ACTION 3A: COMMERCE IS HEREBY REQUESTED TO OBTAIN MATERIAL FOR CATALOG SHOW DEALING WITH CONSTRUCTION SUPPLIES AND EQUIPMENT, HOUSEWARES, HARDWARE, ETC. THIS SHOW WOULD BE EXTREMELY USEFUL IN REGAINING U. S. SHARE OF THIS MARKET WHICH HAS DECLINED STEADILY SINCE 1971.

ACTION 4A: INCREASE FROM 30 TO 60 THE NUMBER OF FIRMS TO RECEIVE PROMOTIONAL MATERIAL ON NATIONAL HOUSEWARES EXHIBITION SCHEDULED FOR CHICAGO IN JANUARY 1975.

ACTION 5A: REQUEST PAO GRIFFITHS TO ATTEMPT OBTAIN LIST OF AVAILABLE FILMS FROM USIA DEALING WITH U.S. CONSTRUCTION INDUSTRY.

ACTION 6A: BY OCTOBER 25 MCNALLY WILL HOST LUNCHEON FOR THOSE WHO ATTENDED NATIONAL HARDWARE SHOW IN NEW YORK, AUGUST 26-29.

IN CARRYING OUT ABOVE ACTIVITIES ASSOCIATED WITH THIS CAMPAIGN, IT WILL BE NECESSARY TO INCREASE NUMBER OF MAN-DAYS ALREADY ALLOCATED TO THIS CAMPAIGN AS FOLLOWS:

FSO-6 MCNALLY: - FROM 45 MD TO 60 MD; FSL-10 ORTUNO:
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- FROM 45 MD TO 60 MD; AND FSL-9 CASTILLO: - FROM 45 MD TO 50 MD.

7. THE SURVEY CAMPAIGN WILL REMAIN ESSENTIALLY UNCHANGED.

8. ORTUNO HAS ALREADY MADE TWO-DAY VISIT TO SAN PEDRO SULA TO DEVELOP NEW TRADE OPPORTUNITIES. THOSE REPORTS WILL BE FORWARDED AS SOON AS POSSIBLE. FURTHERMORE, ORTUNO SUCCEEDED IN HAVING SAN PEDRO SULA CHAMBER OF COMMERCE CIRCULATE LETTER TO ALL MEMBERS OF THE BUSINESS COMMUNITY STATING THAT COMMERCIAL SECTION OF EMBASSY IN TEGUCIGALPA WAS STANDING BY AND READY TO GIVE THEIR BUSINESS REQUESTS SPEEDY SERVICE. SIMILAR LETTERS WILL BE SENT TO BUSINESS COMMUNITIES IN TEGUCIGALPA AND CHOLUTECA. IN CONNECTION WITH ABOVEMENTIONED INITIATIVE, POST INTENDS

USE PHRASE "REQUIRED URGENTLY FOR HONDURAN RECONSTRUCTION"
ON COMMERCIAL REQUESTS FOR DISASTER-RELATED MATERIAL IN
HOPES THAT SUCH COMMUNICATIONS RECEIVE PRIORITY ATTENTION.

9. POST WILL CLOSELY MONITOR GOH TARRIFF POLICIES REGARDING
IMPORTATION OF CEMENT, COMMERCIAL VEHICLES, AND OTHER
ITEMS DIRECTLY RELATED TO RECONSTRUCTION EFFORTS AND
INFORM DEPARTMENT OF ANY CHANGES. IT IS HOPED THAT TARIFFS
ON SUCH IMPORTS WILL BE LOWERED TEMPORARILY IN ORDER TO
EXPEDITE RECONSTRUCTION ACTIVITIES.
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